(b) if so, whether this has been done considering overall implications of this issue on interest rate management in the country;

(c) if so, whether any concrete policy in this regard has been formulated by the RBI;

(d) if so, what are the details thereof; and

(e) by when final decision is likely to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PLALANIMANICKAM): (a) No, Sir.

(b) to (e) Do not arise.

Reduction of Interest Rates on Debts in Gujarat

48. DR. A.K. PATEL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the State Government of Gujarat is taking major steps to improve its public finances by reduction of average interest rate on debts;

(b) whether the state Government has made any proposals to the Central Government in this regard; and

(c) if so, whether any decision has been taken by the Central Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM) : (a) Yes Sir. The State Government has undertaken extensive debt swap including under Debt Swap Scheme; of Government of India. Government of Gujarat has swapped Central debt of Rs. 9563.51 crores carrying coupon rate of 13% and above outstandii ,g as on 01.04.2002, in full.

(b) The State Government requested that 40% of their small savings collections may continue to be deducted and applied for swapping Central Government loans carrying interest rates lower than 13%. Further the State Government had requested for approval loans from merchant bankers @ 7.7% to 7.8% for swapping outstanding HUDCO loan bearing interest rate of 13.5%.

(c) Approval for both the requests has been accorded.